

October 23, 2005

Reference:

"Competition and the Real Estate Workshop" -- Comment,
Project V050015

To Whom It May Concern:

The real estate industry is a model of competition that works. In an economy in which large, national corporations -- such as Wal-Mart and Microsoft -- dominate the marketplace, real estate stands apart. We are an industry made up predominantly of small businesses and independent contractors who represent the entrepreneurial spirit this country was founded on.

All of us serve localized markets where we compete for business every day. Fierce competition is fueled largely by the uniquely intense and personalized nature of the service we provide to our clients -- which, in turn, determines our future success through referrals and return business.

Barriers to entry are low. If you are willing to take the time to learn the business in your local market, pass the state license examination and adhere to the REALTOR® code of ethics, there is nothing to stand in the way of success in this industry. I had to learn the business and pass the state licensing examination, but it is my own work ethic, commitment to professional standards and dedication to client satisfaction that determine my success.

Even through the economic downturns our country has experienced in the past few years, our industry has continued to provide opportunity -- something I would say is confirmed by the thousands of new agents that join our profession every year and the over 2 million Americans who are now licensed to provide professional real estate services in communities across the country.

Nothing encourages a competitive business environment more than providing consumers with choice. In the residential real estate marketplace, consumers not only are able to choose from more than 76,000 brokerage firms and more than 1.2 million REALTORS®, but also from a variety of business models.

My service area encompasses approximately ten miles with a total of approximately fifty local Nevada licensees, unknown number of licensees from the Carson Valley and an unknown number of dual licensees from California.

Recent data from the Tahoe Daily Tribune, October 7, 2005, reports third quarter figures 2004 to 2005 a total number of east shore units sold 100. If total number of agents in the area are 100 that would equal one house per agent per year with an average home price of

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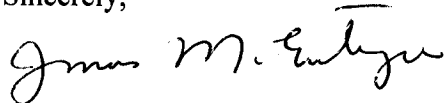
1.27 million yearly income is somewhere below \$30,000, not enough to support a comfortable life style at Lake Tahoe.

Realistically a smaller amount of total estimated agents are active and get a majority of the sales. These agents are long time residents and practitioners very familiar with the market. Top agents have the resources to fund marketing campaigns to stay in front of buyers and sellers, a prodigious amount of clients resulting in an abundance of referrals, and can weather sales cycles because of their established position in the market.

To establish a market presence in this type of environment is very difficult. Newer agents to the area are confronted with building brand recognition and the general climate of home sales, million dollar homes stay on market longer. Affording a cost structure that supports fewer sales a year is challenging and building the confidence of buyers and sellers is a struggle.

The bottom line is how much time and money does the business have to fund operations to stay competitive. For a new agent with minimal resources success is highly unlikely in the above described environment. Unknowns and uncertainties present opportunities and the chance for high returns, the risk to continue operations is great. What determines success is the confidence in an individual ability to recognize an opportunity.

Sincerely,

A handwritten signature in cursive script, reading "Jonas McEntyre". The signature is written in dark ink and is positioned below the word "Sincerely,".

Jonas McEntyre